

CRU Debentures

Offer Memorandum

Series 7



• RELEASE THE •
KINGDOM
POTENTIAL

The CRU Debentures offered
under this Offer Memorandum are
only available to persons within Australia.

The Crusader Union of Australia
Trading as 'CRU'
ABN 90 213 359 332

Why CRU Debentures?

CRU offers you an unparalleled opportunity to reach kids for Christ by investing in CRU Debentures.

Your CRU Debenture (Series 7) is a loan to support the Lake Mac redevelopment which seeks to reach an extra 20,000 kids with the message of Jesus on camps each year.

Your CRU Debenture will enable you to:

1. Earn a highly competitive interest rate, or choose to loan at low or no interest;
2. Retain your capital and
3. Reach thousands more kids for Christ

To date, improvements to the Lake Mac campsite have been financed through gifts and pledges from CRU supporters, spread over 5 years, plus significant borrowings from a commercial funding institution.

By investing in Series 7 you will increase CRU's capacity to pay down debt, which would otherwise need to be sourced from commercial funding facilities at higher interest rates, helping to reach more kids for Christ sooner.

The Chairman, Dr Timothy Wright, and the Executive Director, Mr Gary Hill, encourage CRU supporters to generously invest in this transformational opportunity to support the Lake Mac redevelopment. Your gift will help make it possible for at least 1 million more young people to hear the truth about Jesus in the coming decades.

The issue and management of CRU Debentures is governed by the CRU Board approved "Crusader Debentures Deed Poll".

Within 14 days of each 30 June financial year end you will receive a Summary Statement and Tax Deductible receipt (*if applicable*) in relation to your investment in CRU Debentures.

Terms and Conditions

We suggest you retain this document for future reference.

Debentures

The CRU Debentures *Series 7* are issued by the Crusader Union of Australia ('CRU'), ABN 90 213 359 332.

- Your investment gives you a fixed rate of interest for the whole of its term (subject to early repayment terms) and, if accepted, starts earning interest from the day your application money is received at the CRU Registry office.
- Interest is credited to your nominated account on maturity of the Debenture.
- Should you desire, you may wish to donate your interest entitlement to CRU by way of a donation to the CRU Building Fund, which is tax deductible.
- The interest rate is determined by agreement between you and CRU.
- The minimum investment amount for Series 7 is \$5,000.
- The investment term must be no shorter than 6 months to 5 years in duration.

Repayment of Debentures

Your *Series 7* Debenture will be repaid by the Crusader Union of Australia on any of the following three occasions:

- At the maturity date of the Debenture; or
- At the discretion of the Crusader Union of Australia and subsequent acceptance by you; or
- At any time, where you choose to make a tax deductible donation, or a donation in lieu of receiving the full or partial principal value of your Debenture.

Note: Interest will be adjusted to the date of repayment, or the date a tax deductible receipt is issued, for any principal sum donated to the Building Fund.

A notice of intention will be issued 1 month prior to the maturity of a Debenture, asking whether you would like to reinvest, make a donation, or be repaid.

The date of this Offer Memorandum is 16 March, 2020. This Offer Memorandum expires when Debentures worth \$3,270,000 have been issued. This Offer Memorandum has not been examined or approved by the Australian Securities and Investments Commission

Statement to Investors

CRU is required by law to notify investors that:

- CRU does not hold an Australian Financial Services (AFS) licence;
- CRU Debentures are for investors who wish to promote the charitable purposes of CRU;
- CRU Debentures and this interest offering are not subject to the normal protections for investors under the Corporations Act and is not regulated by ASIC;
- This investment is not comparable to investments that are issued by banks, finance companies or fund managers. Investors may be unable to get some or all of their money back when they expect to or at all.
- Although a Deed Poll is not required by law, CRU Debentures are governed by the Crusader Debentures Deed Poll dated 29 November 2004; and
- You are required to view CRU's ASIC identification statement, attached with this application, and acknowledge the disclosures stated. This ASIC identification statement may also be viewed at www.cru.edu.au/debentures.

Use of Proceeds

The proceeds received from *Series 7* CRU Debentures will be used to reduce interest costs associated with the capital funding for CRU's Lake Mac campsite redevelopment.

Deed Poll Information

The CRU Debentures *Series 7* are issued in accordance with the Crusader Debenture Deed Poll dated 29 November 2004, executed by CRU in favour of each person who is, from time to time, a debenture holder ("Debenture Holder").

The Deed Poll protects the interests of CRU Debenture Holders by ensuring that CRU complies with the terms of the Crusader Debentures Deed Poll, including borrowing limits.

Amendments to the Deed Poll

CRU may amend the Crusader Debenture Deed Poll if the amendment is approved by a general meeting and the rights of current Debenture Holders under the Deed Poll are maintained.

If you would like a free copy of CRU's Debenture Deed Poll please call the CRU office on (02) 9874 8933 or email debentures@cru.edu.au.

How to Invest

To proceed with your investment, please complete the attached application form. Application money can be paid by either:

- Cheque made payable to "Crusader Union of Australia Debenture A/c" and crossed "Not Negotiable"; or
- Transfer of Funds to:

Account Name:

"Crusader Union of Australia Debenture A/c"

BSB: 704922

Account No: 100016469

Reference: *Your name & your bank A/c No.*

Send your application form and money to:

The Executive Director
CRU Debentures
PO Box 590
Eastwood NSW 2122

Your CRU Debentures will be recorded on the Register maintained at the CRU office. We reserve the right to refuse any application or to accept any application in part only. Applications accepted will begin accruing interest from the date the application is received. Application money not accepted will not be paid interest and will be returned within 14 days.

The Registry will send you a certificate confirming your investment within 14 days, subject to the clearance and acceptance of cheques.

Signature

The application form **must** be signed by:

- The applicant personally; or
- Each of the parties to a joint application; or
- The authorised representative of a company investor with title/position specified; or
- The authorised attorney of the applicant(s) (original power of attorney or certified copy should be forwarded with the application); or
- The trustee of a Trust.

Registry

The principal register for CRU Debentures is administered by The Crusader Union of Australia and its email address is: debentures@cru.edu.au

Its postal address is:

CRU Debentures
PO Box 590
Eastwood NSW 2122

CRU Debentures Application Form

The Crusader Union of Australia
ABN 90 213 359 332

Registry use only

Acceptance date / /

This application form is for Debentures of the Crusader Union of Australia ('CRU') offered under the Offer Memorandum for CRU Debentures Series 7 dated 16 March 2020 with a maximum combined issue amount of \$3,270,000 ("Offer Memorandum").

Receipt of the application does not constitute an acceptance.

- I/We hereby apply for CRU Debentures as set out below upon the terms and conditions in the CRU Debentures Offer Memorandum. No Debentures will be issued pursuant to the Offer Memorandum in excess of \$3,270,000.
- I/We acknowledge that the Debentures are issued pursuant to the Crusader Debentures Deed Poll.
- I/We acknowledge that before applying for Debentures, I/We have had access to the complete Offer Memorandum document which is 4 pages (including this page) and CRU's ASIC Identification statement which is attached to this Offer Memorandum and acknowledge the disclosures stated in both documents. CRU's ASIC Identification statement may also be viewed at <https://www.cru.edu.au/debentures>.
- By applying for Debentures I/we consent to CRU collecting and using my/our personal information for the purposes of the issue and administration of the Debentures.

Individual / Joint Personal Details	Applicant 1		
	Title	Surname	Given name(s)
	Applicant 2		
	Title	Surname	Given name(s)
	<u>Address</u>		
			<u>Postcode</u>
	Phone: (mobile)	(home)	(work)
<u>Email address</u>			

Company / Trust Details	<u>Name of Company / Trust</u>		
	<u>Address</u>		
			<u>Postcode</u>
	ABN/ACN	-	-
	<u>Email</u>	<u>Phone</u>	

Interest Payment Instructions Credit to account	<u>Account name</u>		
	<u>Bank/Credit Union</u>		
	BSB number	-	Branch
	<u>Account number</u>		
	I would like to give ____% of my interest payment as a tax deductible donation to CRU for the purpose of Series 7. <i>(If left blank your interest will be transferred to the account information provided).</i>		

Debentures	Interest paid at maturity						
	Term (Please circle maturity date)	6 months	1yr	2yrs	3yrs	4yrs	5yrs
	Interest rate per annum	_____ % pa					
	<i>(For the maximum interest rate possible please call Crusaders General Manager on 02 9874 8933)</i>						
Amount invested (minimum \$5,000)		\$ _____					

Authorised Signatories (must be signed by all applicants)	Applicant 1: X	<u>Date</u> / /
	<small>(for company/Trust lodgements, please specify company title/position)</small>	
	Applicant 2: X	<u>Date</u> / /

Tax File Number (TFN) Optional	Collection is authorised by Tax Laws. Quotation is not compulsory, however, tax may be deducted from your interest if you do not disclose.	
	Applicant 1	or Exemption
	TFN	_____
	Applicant 2	
TFN	_____	

IDENTIFICATION STATEMENT

Information to be Provided	Information Provided by Crusaders
Identification Information	<p>The Crusader Union of Australia (Crusaders) ABN 90 213 359 332 is a not-for-profit public company limited by guarantee. Crusaders is located at Suite 1, 38 Rowe Street, Eastwood NSW 2122.</p>
Compliance	<p>Crusaders relies upon exemptions contained in paragraphs 5(1)(b) and 5(2) of <i>ASIC Corporations (Charitable Investment Fundraising Instrument 2016/813 (ASIC Instrument))</i>.</p> <p>Crusaders ensures compliance with the conditions of the exemptions contained in the ASIC Instrument in the following ways:</p> <ul style="list-style-type: none"> (a) Crusaders has lodged this Identification Statement with ASIC and it is made available to the public via the Crusaders website. (b) Crusaders regularly reviews its Identification Statement and all relevant offer documents to ensure that they are up to date, complete and not misleading. (c) Crusaders does not offer short term investment products to clients who are retail, non-associated clients. (d) All debentures issued by Crusaders are held on terms that they may only be repaid or redeemed: <ul style="list-style-type: none"> (i) if Crusaders has reasonable grounds to believe that if: <ul style="list-style-type: none"> (A) all repayments and redemptions that it may be required to pay on that day were made; and (B) all repayments and redemptions that may reasonably be expected to be due on each future day were made on that future day; all holders of debentures would be repaid or redeemed on that day and on each future day in accordance with holders' entitlements; or (ii) in the case of a holder of a debenture that is an individual, if Crusaders is satisfied that the repayment or redemption would alleviate financial hardship that the holder is suffering or would suffer; or (iii) in the unlikely event that Crusaders is wound up. (e) Where a retail, non-associated client is entitled to receive payment in relation to a debenture, Crusaders may only

	<p>provide payment via a transfer to an account of that person with an Australian Authorised Deposit-taking Institution (ADI), or by a cheque payable only to that person.</p> <p>(f) Crusaders does not offer any debentures on an “at-call” or “on deposit” basis.</p> <p>(g) None of Crusaders itself, its products, its promotional material or its offer documents have been examined or approved by ASIC, nor does Crusaders or any of these documents state or imply that Crusaders, its promotional material, or offer documents have been examined or approved by ASIC.</p> <p>(h) Crusaders ensures that all relevant offer documents to retail clients detail that:</p> <ul style="list-style-type: none"> (i) the investment funds will be used to support the charitable purposes of Crusaders; (ii) this Identification Statement may be viewed on Crusaders’ website; (iii) Crusaders is required by law to notify investors that its products are not subject to the normal <i>Corporations Act</i> protections for investors under the <i>Corporations Act</i> or regulation by ASIC; (iv) Crusaders does not hold an Australian Financial Services Licence; (v) the investment is only intended to attract investors whose primary purpose for making the investment is to support the charitable purposes of Crusaders; (vi) investors may be unable to get some or all of their money back when the investor expects, or at all; and (vii) the investment is not comparable to investments with banks, finance companies or fund managers. <p>(i) Crusaders does not issue debentures to, or accept additional investments from, persons as retail, non-associated clients unless those persons have signed and provided a statement to Crusaders stating that they understand the disclosures listed in the previous paragraph.</p> <p>(j) Any false or misleading material statements relating to this Identification Statement are rectified as soon as practicable via the issue of a supplementary or replacement Identification Statement.</p> <p>(k) Crusaders lodges with Australian Charities and Not-for-profits Commission audited financial statements, which comply with relevant accounting standards, within 6 months after the end of each financial year. Such statements are made available to the public via Crusaders’ website for a minimum period of 3 years from the date of issue.</p>
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Financial Year	Crusaders has a financial year of 1 September to 31 August.
Australian Financial Services Licence	Crusaders does not currently hold an Australian Financial Services Licence. Crusaders is exempt from the requirement to hold an Australian Financial Services Licence by virtue of the self-dealing exemption found in section 766C of the <i>Corporations Act 2001</i> as Crusaders' debenture program only relates to debentures of Crusaders and Crusaders does not carry on an investment business.
Charitable Purpose	<p>Crusaders' primary charitable purpose is the advancement of religion. Crusaders' ancillary charitable purpose is the advancement of social or public welfare.</p> <p>Crusaders issues debentures to investors to finance the ongoing requirements of Crusaders (as determined by Crusader Council - advisory board of Crusaders) from time to time to advance the charitable purposes of Crusaders. These requirements include the purchase and/or redevelopment of current and future campsites owned by Crusaders.</p>
Method of Fundraising	Crusaders issues debentures as its method of fundraising.
Key Terms	<p>Crusaders maintains a Debenture Register.</p> <p>Debentures are issued for a fixed term. However, Crusaders may elect to repay a debenture before the end of its term at Crusaders' discretion or where by written request, the debenture holder elects to make a donation to Crusaders for the full or partial value of the interest and/or principal of the debenture.</p> <p>Interest varies according to the series of debenture, at rates determined by Crusader Council, or by negotiation. The debenture holder may request that no interest be paid.</p> <p>If directed by the debenture holder the interest and/or principal can be converted into a donation to Crusaders when the term ends.</p> <p>Crusaders does not charge any fees to debenture holders.</p> <p>The liability of Crusaders arising from debentures is limited to the property of Crusaders except if there is a reduction of Crusaders' indemnification as a result of Crusaders' fraud, negligence or breach of duty.</p>
Investors	Crusaders issues debentures to persons and organisations as retail clients and as non-retail clients. "Associates" are defined by the ASIC Instrument, which includes voluntary staff members. In determining whether a person is to be



	<p>treated as a voluntary staff member, Crusaders requires that person to work at least eight hours per week on a voluntary and recurring basis.</p> <p>Debentures are generally offered to potential investors face to face, over the phone or through printed and online materials.</p> <p>Certificates are provided to investors who are issued debentures.</p>
Audited Financial Reports	Crusaders is required to lodge audited financial statements with the Australian Charities and Not-for-profits commission.
Guarantees or Obligations	No guarantee is provided directly to debenture holders. However, Crusaders is guaranteed by Crusaders' members.
Asset Types	Crusaders holds cash deposits at ADIs and non ADIs. No assets are held outside of Australia.
Consent	Crusaders consents to any person examining this Identification Statement and Crusaders' application to ASIC to accept this Identification Statement for lodgement.

Anna Burke
Fundraising Director
The Crusader Union of Australia

Date Lodged with ASIC: 5 March 2020